

## **Call for Action Pennsylvania's Response to National Flood Insurance Reform**

Recent changes in the National Flood Insurance Program (NFIP) will greatly increase flood insurance rates over the next several years. Although a two (2) year reprieve has been given for residential properties only, the data gathered to date indicates that such changes will have a negative impact on PA municipalities. Consequently, the economic, environmental and social fabric of many PA communities will be affected which collectively will have a negative impact on the Commonwealth.

Specifically, Biggert-Waters Flood Insurance Reform Act of 2012 (BW12) and Homeowners Flood Insurance Affordability Act of 2014 (GW14) provide the impetus for a Call for Action to develop steps to address the negative aspects of this legislation. It also offer us a chance to reassess and improve floodplain management for the Commonwealth. The PA Association of Flood Plain Managers (PAFPM) recommends actions here/now to better understand and mitigate the probable changes to communities from BW12/GW14 .

### **Background**

The Pennsylvania 2013 State All-Hazard Mitigation Plan identifies flooding as our largest natural hazard. BW12 dramatically raised flood insurance rates; some owners reported actual increases of \$7000-10000 per year, and business properties face 25% annual increases to reach full-risk rates. It is reasonable to assume that some communities will face dramatic decreases in their tax base as businesses and individuals leave the floodplain. In the long run the impact of BW12 goes beyond insurance for individuals and businesses, and into local ordinance enforcement, community sustainability and economic development.

Flood insurance was originally designed to ease the financial burden on individuals and communities already situated in harm's way, and so that they could get out of danger. People have come to depend on insurance to stay in the floodplain rather than to transition out, and that has proven unsustainable - the insurance trust fund is unable to meet its obligations and is getting worse. The resulting flood insurance reform (BW12 and GW14) has sharpened the need to evaluate our alternatives.

Floodplain Management at the state government level within the Commonwealth has been fragmented, somewhat piecemeal and uncoordinated. With fewer financial and manpower resources, greater emphasis on integrated floodplain and stormwater management and response is a necessity if we are going to effectively reduce and/or mitigate flood damages by becoming less dependent on flood insurance.

## **PAFPM Executive Board Recommendations**

There are several facets of the analysis and action plans. The first calls for adopting a strategic vision for Floodplain Management in PA. The second focuses on analyzing the impact of recent flood insurance reform and in particular the impacts on counties and their municipalities. The third focuses on the Commonwealth and its agencies, and what might be done at the state level to improve flood hazard mitigation and response. PAFPM recommends that a distinct three-step process be established to build a floodplain management plan for PA within the next two years that builds upon a geographic analysis of flood insurance reform impacts.

### **1. Adopt the following Strategic Vision:**

*Pennsylvania will set and follow its own course in floodplain and stormwater management and flood hazard mitigation based on its own needs and unique political structure.*

### **2. Undertake new analyses of the risk, primarily by supporting Counties in performing the analysis and then using the results to share with Congress and others.**

Geographic information available today can allow analysis not previously possible. Pennsylvania Counties possess information about every assessed property within the floodplains such as the existence of floodable basements, whether it is commercial or residential, and its taxed value. Federal and state officials have risk and claim history, flood hazard models, economic census, and more. This creates a situation in which analyzing the real impacts statewide nearly impossible without supporting data from County government, regional economic development entities and banks.

- We do not even know how many people will be affected. An analysis of just how many people will be affected, and in which communities, requires the GIS data and expertise at all levels of government.
- Counties and local municipalities can both assist and benefit from statewide analysis if they are equal partners, and their involvement is supported financially. This link has strengthened in the recent past but the process is still federally-driven rather than state-directed.

Logical steps in completing this analysis as quickly as possible include:

- a. Counties gather existing flood insurance and property data by incorporating data from County Assessment Offices, FEMA, PEMA, DEP, DCED, HUD and others.
- b. Counties analyze the impacts of insurance rate changes within their respective borders. That analysis may only happen with state-agency or legislative support, both technically and financially to ensure reasonable uniformity.
- c. Consolidate the County-level studies for a statewide picture.
- d. Share the results with legislators and state and Federal agencies and others as appropriate.

**3. Refine our management and regulation of floodplains at the Commonwealth level as well as at the County and Municipal level of government.**

Rationale: The timing for this analysis is right because 1) the technology is available; 2) the ongoing implementation of flood insurance reform is upon us; 3) we have 35 years of experience in floodplain management and; 4) 35 years is also a logical time frame for setting forward goals in floodplain management, avoiding political cycles and respecting pace of change in natural systems.

With the statewide analysis to inform decision-making:

**A. Define and implement short term improvements (those implementable within existing government structure).** Ideas that have been suggested include:

1. Improve Information Management and Dissemination – FEMA’s flood insurance and flood mitigation programs are technically complex, and the fact that peoples’ homes and livelihood are involved make them emotionally charged. Wading through FEMA documents, federal and state regulations, engineering studies, and financial legalese make this topic prone to misinformation and misinterpretation.
  - a. Networking of floodplain managers and land surveyors and engineers with Insurance and banking organizations should be encouraged and those groups need to collaborate in new ways.
  - b. Establish communication protocols for municipalities
  - c. Develop communication lines with the PA Congressional delegation specific to floodplain management.,
  - d. Create Information outlets which are varied and robust that further define roles for existing regional and statewide entities such as: the Center for Rural PA, Silver Jackets, PAFPM, PSATS, CCAP, PSAB, and river basin oriented entities.
2. Economic development grants in Special Flood Hazard Areas (SFHA) must specifically require floodplain management regulation compliance and other sustainability considerations.
3. Clarify limits and inclusions of agency actions for DCED, DCNR, DEP and PEMA related to floodplain management.
4. Coordinate data and results for all hydrologic/hydraulic modeling efforts including FEMA studies, PennDOT bridges, DEP levee and dam safety programs, DCNR River Conservation Plans, USACE projects and local projects, thus avoiding redundancy and duplication of data, effort, results and expenditures.
5. Encourage Single POC agency designation by each County for floodplain management.

Logical duration – Complete by June 2015

**B. Establish long-term policy directions and strategies (those requiring State Legislation or increased budget capacity).** Possible directions and strategies suggested to date include:

1. Take action to implement Long-Term Integrated Floodplain/Stormwater Management. Our own statewide regulatory environment has separated regulation of floodplains and stormwater, inadvertently complicated rules over time, and ignored opportunities to collaborate using geospatial technologies. The advent of flood insurance reform should be a catalyst to simplify and modernize.
  - a. The recent authorization of stormwater authorities and the ongoing development of MS4 regulations offer distinct opportunities to decrease flooding and increase water quality in the long run, but best results will occur if those are stated goals.
  - b. The state should encourage counties to take more of a role for floodplain management. Support to boroughs and townships is simplified when a County agency takes a leadership role in planning, administration and communications.
  - c. Economic impacts on communities will be better understood and might be lessened with a focus on opportunities for proactive flood mitigation for cultural resources. Groups like Susquehanna River Heartland Coalition and PHMC would need support.
  - d. The direct connections between Integrated Water Resources Management programs and the natural and beneficial functions of floodplains at both local and regional scale deserve more direct study and understanding.
2. Prepare Floodplain property buyout priority plan built on state analysis.
3. Establish a specific goal for all severe repetitive loss (SRL) properties to be mitigated within 10 years.
4. Develop a specific state Community Rating System (CRS) Assistance Program to help PA municipalities in gaining and maintaining CRS Certification:
  - a. State-supported Assistance Teams,
  - b. County database for annual recordkeeping compliance,
  - c. Stormwater management linkages to CRS via MS4 assistance and Act 167 plans.
5. Intensify Commonwealth outreach and improve staffing levels for DCED and Counties.
6. Provide grants/loans to elevate or fill basements, keeping properties on tax rolls instead of funding buyouts.
7. Implement Statewide plan to achieve standardized flood insurance rate map quality by 2025; this would be tempered by the pending National Mapping Technology Committee recommendations.
8. Encourage the definition and creation of regional Cooperating Technical Partnerships (CTP) with specific goals unique to each river basin.

Logical duration – Complete by December 2016

***Note:** Interested parties should review the policy background companion document entitled “Toward a Commonwealth Floodplain Management Plan\_20140905”, the outline of which is from “Effective State Flood Mitigation Programs “published by the Association of State Floodplain Managers (ASFPM) in 2003.*

